

National Credit Union Administration



Operating Fund

***Financial Highlights
January 31, 2015
Preliminary and Unaudited***

A handwritten signature in black ink, appearing to read "Rendell L. Jones". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

**Rendell L. Jones
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JANUARY 31, 2015

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$34.3 million. Its balance decreased \$6.6 million in the month primarily due to an increase in receivables and decrease in accrued wages and benefits. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

Accounts payable had a month-end balance of approximately \$7.1 million. Its balance increased by approximately \$0.6 million in the month primarily due to increase in liabilities for advances and prepayments.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$2.6 million and net income year-to-date was \$2.6 million. Interest income on overnight investments has averaged 0.03% year-to-date, versus 0.00% during the same period last year.

Statements of Cash Flow

The cash position decreased \$6.6 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$79 thousand was invested in new capital assets and \$112 thousand in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$11.6 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$10.3 million or 44.2 percent, compared to being under the year-to-date budget by approximately \$4.4 million or 19.0 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$2.7 million or 16.3%, travel was under budget by \$2.1 million or 86.6%, and the remaining expense categories combined were under budget by \$5.4 million or 134.9%.

The average annualized travel spend per FTE was \$3,201 this year, which is \$227 more than last year.

Vacancies

The Agency had 42 vacancies as of this month -- up 3 from the prior month. Of the 42 vacancies, 10 were in the central office and 32 were in the regions and AMAC. The 42 vacancies represent 3.3% percent of total authorized staff of 1,268.70.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS AS OF JANUARY 31, 2015 AND JANUARY 31, 2014 (Dollars in thousands)

Preliminary and Unaudited

	1/31/2015	12/31/2014	1/31/2014
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 34,310	\$ 40,940	\$ 28,764
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	-	3,509	-
EMPLOYEE ADVANCES	44	62	36
OTHER ACCOUNTS RECEIVABLE , Net	6,832	322	6,843
PREPAID EXPENSES AND OTHER ASSETS	2,136	2,145	1,677
ASSETS HELD FOR SALE	644	644	-
FIXED ASSETS — Net of accumulated depreciation of \$28,510	30,920	30,279	29,994
INTANGIBLE ASSETS — Net of accumulated amortization of \$16,014 as of January 31, 2015	<u>2,653</u>	<u>2,904</u>	<u>4,027</u>
TOTAL	<u>\$ 77,539</u>	<u>\$ 80,805</u>	<u>\$ 71,341</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 7,148	\$ 6,598	\$ 3,593
Obligations under capital leases	996	213	59
Accrued wages and benefits	6,323	12,873	6,876
Accrued annual leave	15,469	15,469	14,571
Accrued employee travel	-	491	-
Note payable to National Credit Union Share Insurance Fund	<u>11,621</u>	<u>11,733</u>	<u>12,962</u>
Total Liabilities	41,557	47,377	38,061
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>35,982</u>	<u>33,428</u>	<u>33,280</u>
TOTAL	<u>\$ 77,539</u>	<u>\$ 80,805</u>	<u>\$ 71,341</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR THE PERIODS ENDED JANUARY 31, 2015 AND JANUARY 31, 2014

(Dollars in thousands)

Preliminary and Unaudited

	YEAR-TO-DATE		MONTH	
	2015	2014	2015	2014
REVENUES:				
Operating fees	\$ 6,583	\$ 6,606	\$ 6,583	\$ 6,606
Interest	1	-	1	
Other	250	8	250	8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	6,834	6,614	6,834	6,614
EXPENSES, NET ¹ :				
Employee wages and benefits, net	4,676	5,451	4,676	5,451
Travel	92	94	92	94
Rent, communications, and utilities	(47)	28	(47)	28
Contracted services	(395)	(30)	(395)	(30)
Depreciation and amortization	472	482	472	482
Administrative	(518)	(214)	(518)	(214)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	4,280	5,811	4,280	5,811
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	2,554	803	2,554	803
FUND BALANCE—Beginning of period	<u>33,428</u>	<u>32,477</u>	<u>33,428</u>	<u>32,477</u>
FUND BALANCE—End of period	<u>\$ 35,982</u>	<u>\$ 33,280</u>	<u>\$ 35,982</u>	<u>\$ 33,280</u>

¹ Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate set by the board of 71.8% and 69.2% for 2015 and 2014, respectively.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED JANUARY 31, 2015 AND JANUARY 31, 2014

(Dollars in thousands)

Preliminary and Unaudited

	YEAR-TO-DATE		MONTH	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 2,554	\$ 803	\$ 2,554	\$ 803
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	472	482	472	482
Provision for loss on disposal of employee residences held for sale	-	-	-	-
 (Gain) loss on fixed asset retirements	-	-	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	3,509	3,313	3,509	3,313
Employee advances	18	2	18	2
Other accounts receivable	(6,510)	(6,640)	(6,510)	(6,640)
Prepaid expenses and other assets	9	(299)	9	(299)
(Decrease) increase in liabilities:				
Accounts payable	550	(1,125)	550	(1,125)
Accrued wages and benefits	(6,550)	(4,480)	(6,550)	(4,480)
Accrued employee travel	(491)	(1,068)	(491)	(1,068)
 Net cash used by operating activities	<u>(6,439)</u>	<u>(9,012)</u>	<u>(6,439)</u>	<u>(9,012)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(79)	(25)	(79)	(25)
Proceeds from insurance on fixed assets	-	-	-	-
Purchases of employee residences held for sale	-	-	-	-
Proceeds from sale of employee residences held for sale	-	-	-	-
 Net cash used by investing activities	<u>(79)</u>	<u>(25)</u>	<u>(79)</u>	<u>(25)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(112)	(112)	(112)	(112)
Principal payments under capital lease obligations	-	-	-	-
 Net cash used by financing activities	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>	<u>(112)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,630)	(9,149)	(6,630)	(9,149)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>40,940</u>	<u>37,913</u>	<u>40,940</u>	<u>37,913</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 34,310</u>	<u>\$ 28,764</u>	<u>\$ 34,310</u>	<u>\$ 28,764</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	<u>\$ 783</u>	<u>\$ -</u>	<u>\$ 783</u>	<u>\$ -</u>
Cash Payments for Interest	<u>\$ 18</u>	<u>\$ 20</u>	<u>\$ 18</u>	<u>\$ 20</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

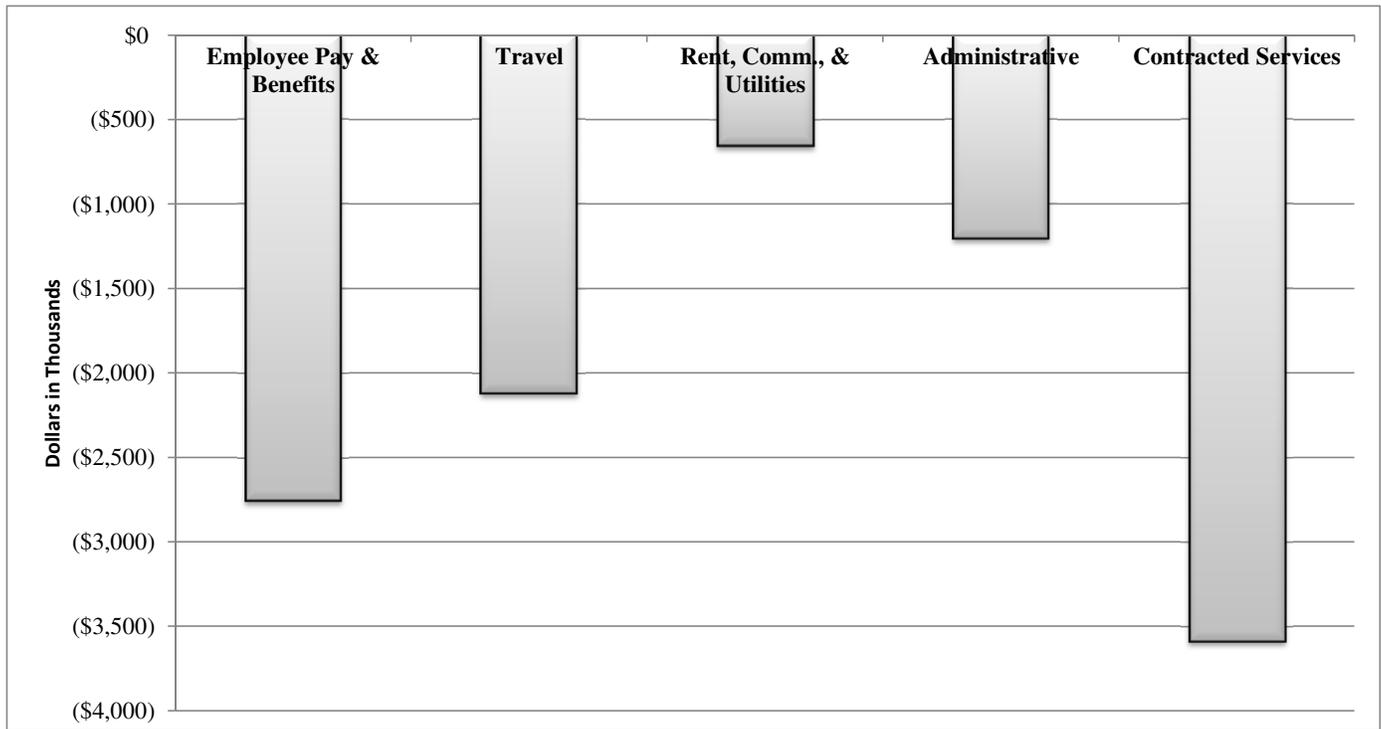
**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF JANUARY 31, 2015 AND JANUARY 31, 2014**

(Dollars in thousands)

*****Preliminary and Unaudited*****

	Year-To-Date 2015				Year-To-Date 2014			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	16,825	14,076	(2,748)	-16.3%	17,141	17,697	556	3.2%
Travel	2,441	327	(2,114)	-86.6%	2,387	306	(2,081)	-87.2%
Rent, Comm., & Utilities	481	(167)	(648)	-134.7%	468	91	(376)	-80.4%
Administrative	1,361	162	(1,199)	-88.1%	1,282	871	(411)	-32.0%
Contracted Services	2,182	(1,400)	(3,583)	-164.2%	2,011	(97)	(2,108)	-104.8%
TOTAL	23,290	12,998	(10,292)	-44.2%	23,289	18,869	(4,420)	-19.0%

Amount Over (Under) Budget



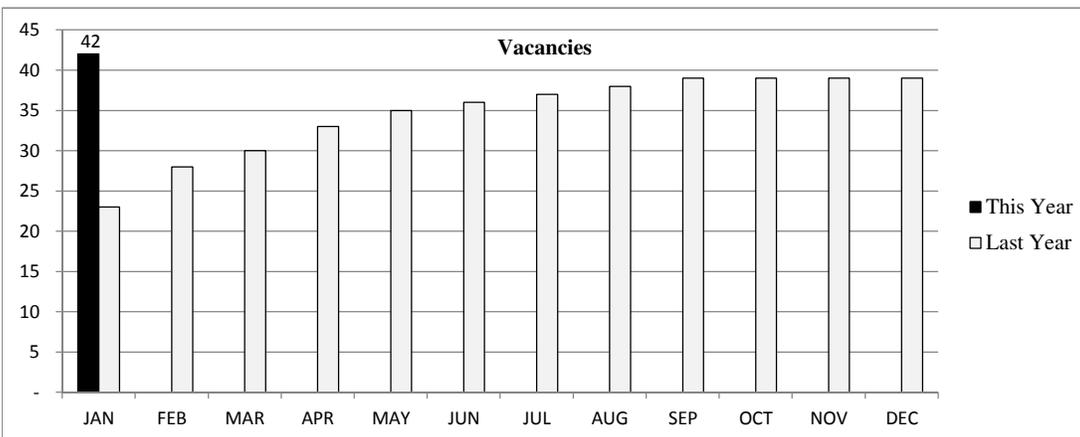
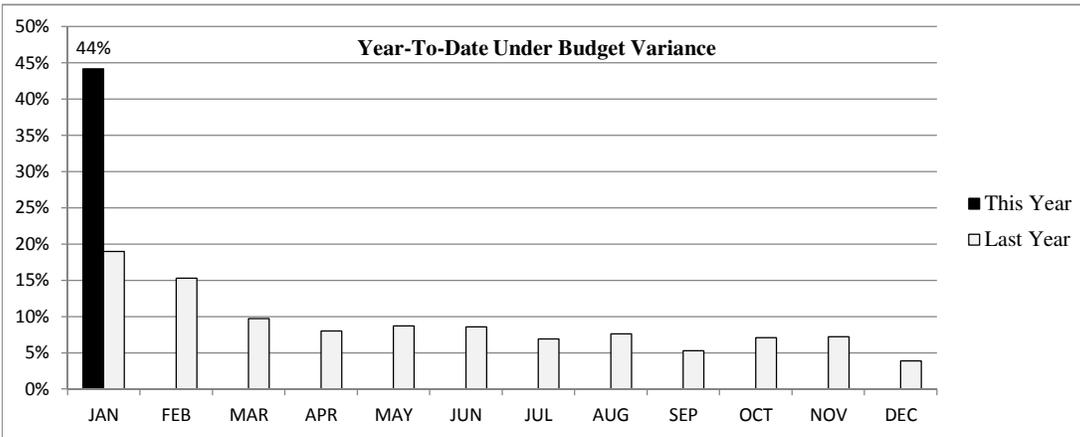
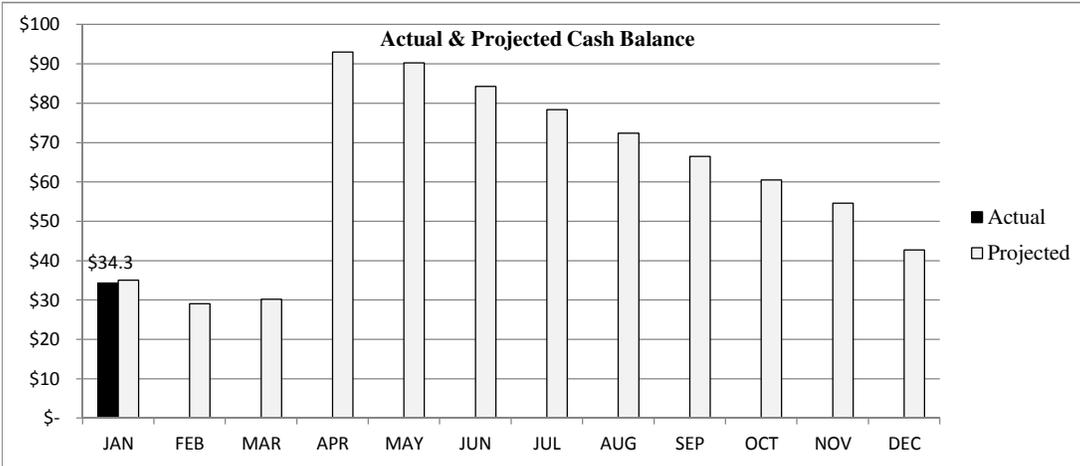
Budget amounts reflect the Board-approved base budget plus mid-session adjustments.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JANUARY 31, 2015 AND JANUARY 31, 2014

*****Preliminary and Unaudited*****



	1/31/2015	1/31/2014
Retained earnings / Total assets	46.41%	46.65%
YTD interest income to average investments (annualized)	0.03%	0.00%
Annualized travel spend per employee	\$3,201	\$2,974
Net year to date cash inflow (outflow) in millions of dollars	(\$7)	(\$9)
Cash and overnight investments / Total assets	44.25%	40.32%
Overhead transfer rate	71.80%	69.20%